Research & Planning

PRESCRIPTION PRICING IN CANADA

Alberta
CONSUMER AND
CORPORATE AFFAIRS

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January, 1984

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1. Introduction

During November, 1983 the results of a study of the Saskatchewan Prescription Drug Plan (SPDP), prepared for Saskatchewan's Minister of Health by Associated Health Planners of Winnipeg, were made public. While the study primarily was concerned with comments on the SPDP by Saskatchewan professionals and consumer groups, a statement that Alberta had the highest drug prices in the country was widely reported in Alberta. Very little of the report was devoted to interprovincial price comparisons.

This paper examines the available information on drug pricing across Canada: how prices are negotiated by the provincial governments and private health insurance companies on behalf of plan subscribers; what the current maximum level of dispensing fees is across the country; and results of previous surveys of prescription drug costs. Also included are the results of a cross-Canada survey on 16 commonly used pharmaceuticals, done by Alberta Consumer and Corporate Affairs during December, 1983.

2. Provincial Price Negotiations

Perhaps the most widely misunderstood account arising from the Associated Health Planners study was that only Alberta permits a 25% markup (or "upcharge") on prescription drug costs, when negotiating payments for its provincial drug plan (in Alberta, the drug plan subsidizes drug costs for senior citizens and welfare recipients). Implications were drawn that this 25% was pure profit for the pharmacist, and explained the seemingly high prices of drugs in Alberta.

While it is true that only Alberta sets a 25% upcharge figure in its pricing formula (based on the manufacturer's charge to the wholesalers, not the wholesaler's price to the pharmacist), that is not to say that no other province permits an upcharge from manufactured cost. Most provinces pay some allowance, whether a percentage rate or a less obvious margin, to reimburse pharmacists and wholesalers for their services. Other provinces, such as British Columbia, Saskatchewan and Quebec, pay pharmacists only their acquisition cost of certain or all drugs, plus a dispensing fee.

In every province, competitive factors primarily determine the final price paid by cash-paying customers (those not covered by any drug plan). Most of the price flexibility comes from the pharmacy's professional dispensing fee, which can vary according to the drug bought, the drug cost, and local competition (see the next section of this report). But in most provinces (Quebec being an exception), the drug cost negotiated with third party payors, such as provincial governments, seems to set a maximum price for all drug purchasers. For instance, in Alberta, charging a different fee to cash customers than to drug plan beneficiaries violates the pharmacists' code of ethics.

Therefore, the key to drug pricing is the formula set in each province for determining the maximum price the government will reimburse a pharmacist for drug sales. No two provinces have the same pricing method, as discussed below:

A. Alberta

Alberta's pricing formula is straightforward. The negotiated price for all drugs is the manufacturer's "microfiche price" (the price to the wholesaler) plus a maximum 25% upcharge plus the maximum dispensing fee of $5.50. Of the 25% markup, wholesalers take 8% to 22%, depending primarily on the size of the pharmacist's yearly purchase volume. The

average wholesale margin is about 12%, leaving the remainder for the pharmacists. Unlike some other provinces, the microfiche price is quoted for the actual size of drug order rather than the price for the smallest purchase quantity possible.

B. British Columbia

B.C. is unique among the provinces in that there is no specific cost formula. Pricing is determined by the free market, and drug cost is defined as what the pharmacist declares to be his net acquisition cost from drug suppliers, except for nominal discounts intended as incentives for prompt payment. According to the president of the British Columbia Pharmacists' Society, 90% of British Columbia pharmacists bill the government for exactly their invoice cost.

Dispensing fees are flexible in B.C., but must range no higher than 15% above the current provincial average fee. The recent provincial average is $5.74, so fees up to approximately $6.60 would be permitted. B.C. pharmacists must show the two components, drug cost and dispensing fee, on their bills, and each pharmacy must charge all its clients the same dispensing fee.

C. Saskatchewan

Saskatchewan also defines its drug cost as actual acquisition cost, but only up to the maximum printed in the Saskatchewan Formulary, which lists all drugs acceptable for reimbursement. For many high volume drugs, Saskatchewan pharmacists must buy the particular brand obtained through the government's Standing Offer Contracts. The government tenders a huge volume purchase from one of the three wholesalers in the province, and the individual pharmacist must pay the tender price. This permits no margin for the pharmacist, although the introduction of a margin is being considered in the current round of price negotiations.

The dispensing fee in Saskatchewan varies, being $5.30 for the first 20,000 prescriptions filled in a year by a pharmacist, and $4.80 thereafter.

D. Manitoba

Like many provinces, Manitoba has a formulary, listing the products and prices for which the government will pay pharmacists. For each type of drug, the pharmacist's reimbursement is limited to the lowest priced brand in the formulary. Prices are based on the manufacturer's published price for the smallest quantity normally purchased; thus, a pharmacist buying in volume can secure significant savings. The average margin, according to the executive director of the Manitoba Society of Professional Pharmacists, is about 10%.

Manitoba's maximum dispensing fee is $4.95.

E. Ontario

Ontario also has a formulary. Its prices are based on manufacturers' charges for a package size of 100, usually the smallest quantity available. Thus there are price advantages to the pharmacist buying in bulk. For the 36 fastest-moving pharmaceuticals, the price is based on a purchase lot of 1,000. Some formulary prices also are calculated as cost to wholesaler plus 10%.

The dispensing fee is $4.65, and is negotiated semi-annually.

F. Quebec

Quebec also has a formulary, the Liste des Medicaments. Its prices are based on manufacturers' prices for the largest purchase quantities. For six popular pharmaceuticals, the acceptable price is net acquisition cost, up to a prescribed maximum.

The dispensing fee structure is much different in Quebec than in other provinces. The province pays a fixed fee, $3.62 for each prescription written up to the 20,000th, and $3.12 thereafter. But pharmacists can, and do, bill their customers a fee based on the size of the order. This varies from a low of $3.50 on a purchase of under two dollars to a $14.00 dispensing fee on medication costs over $60.00. The average for Quebec pharmacies is $5.25. There are other separate fee structures for beneficiaries of federal government drug plans and private health insurance plans.

G. New Brunswick

Two methods of pricing are available in New Brunswick. For those pharmaceuticals bought directly from the manufacturer, the price paid by the pharmacist is deemed to be the manufacturer's price for the smallest quantity order (100 tablets, for example). For drugs bought through wholesalers, the formula is cost to wholesaler plus 20%.

The dispensing fee in New Brunswick is $5.55.

H. Nova Scotia

Until now, drug cost has been defined as the cost to the wholesaler on the smallest purchase size, plus 20%, so that pharmacists who buy in bulk could achieve a considerable margin. Last May, the Health Services and Insurance Commission set a maximum Actual Acquisition Cost for five popular drugs, based on the net cost to each pharmacy after deducting all rebates and discounts for the biggest common purchase size.

The maximum dispensing fee in Nova Scotia (pharmacists may charge less) is $5.50 for the provincial government plan and $5.55 for Blue Cross and Maritime Medical.

I. Prince Edward Island

This is the only province without a provincial government drug plan. Those in need receive medication, at no cost, from the provincial dispensary in Charlottetown. P.E.I. also is unique in that generic substitution has not been permitted to date. The dispensing fee is $5.50.

J. Newfoundland

Newfoundland has a formulary, so that, in a category of interchangeable drugs, the Newfoundland government will pay only for the lowest priced brand. For pharmacies buying directly from the manufacturer, the price is the cost of acquiring the "100 tablet" size. For pharmacies buying through wholesalers, the cost is manufacturers' price to wholesale plus 15%.

The maximum dispensing fee is $5.05, although pharmacists may add 10% on prescriptions of more than $25.00.

3. Review of Dispensing Fees

The chart below shows, in descending order, the maximum dispensing fee charged to drug purchasers in each province, and the most recent date of fee negotiations:

Province	Fee	Date
British Columbia	$5.74(average) $6.60 (maximum)	The floating fee system was introduced in April, 1977. These figures are for November, 1983.
New Brunswick	$5.55	April, 1983
Alberta	$5.50	July, 1983
Prince Edward Island	$5.50	November, 1983
Nova Scotia	$5.50	January, 1984
Saskatchewan	$5.30	December, 1983
Newfoundland	$5.05	July, 1983
Manitoba	$4.95	November, 1983
Ontario	$4.65	October, 1983
Quebec	$3.62	Pricing agreement expired in May, 1983, but the old maximum remains in force.

4. Previous Price Surveys

Comparative retail pricing of pharmaceuticals is difficult, so complex in fact, that no satisfactory representative survey has yet been done in Canada. The surveying itself presents some methodological problems. In order to obtain actual retail prices, the surveyor should present a valid prescription written by a doctor. Due to the restrictions in various formularies, it may be difficult to find precisely the same product in every province - brand names, strengths and dosages prescribed may differ. The prescribing habits of doctors also determine the price the consumer will pay: the doctor may not permit substitution of a generic equivalent (or may not know of one); or the doctor may prescribe one week's, rather than one month's, supply of a drug. The scope of a provincial drug plan can change the total effective cost the consumer pays. For instance, in Saskatchewan, the true cost of drugs must include the costs of administering the universal drug plan, (salaries and benefits, office space, computer services, stationery, printing, postage etc.) which would add approximately one dollar to each prescription price. A fifth variable to consider is the varying levels of service in different pharmacies: a truly representative survey would have to include both chain and independent stores; city, town and rural stores; stores with restricted hours and those open 24 hours a day; pharmacies with a wide selection of brands and medications and stores with a limited dispensary; pharmacies that charge full dispensing fees and those that use "loss-leader" prices on items such as birth control pills; stores that supply quick turnaround on prescription orders versus those with long line-ups.

For all these reasons, it is not possible to state with accuracy how the prices the drug consumer actually pays vary across the country. At present, three rough estimates of comparative costs are available from these sources: Drug Merchandising magazine, the Canadian Pharmaceutical Association and Statistics Canada.

A. Drug Merchandising Magazine

Drug Merchandising is Maclean Hunter's monthly journal for the drug trade. Every autumn the Maclean Hunter Research Bureau surveys those pharmacies on the magazine's circulation list regarding the number of prescriptions written, average prescription prices, brand names prescribed, use of generic drugs etc. and publishes the results in the January issue of Drug Merchandising.

The January, 1984, issue of the magazine shows the following average prescription costs, based on an overall response rate of 13%:

Province	Average Prescription Price	% Change From 1982
British Columbia	$13.46	16%
Alberta	13.15	12%
Maritimes	12.75	10%
Saskatchewan	12.33	30%
Manitoba	11.46	7%
Ontario	11.46	9%
Quebec	9.26	7%
Canadian Average	$12.05	14%

Since the results are based on a limited response, their validity may be questioned. It is noteworthy, though, that the relative positions of the provinces have changed little since the 1982 survey; that is, prices remain higher than the national average in B.C., Alberta and the Maritimes, and much lower than the average in Quebec. Only in Saskatchewan was there a significant price change during 1983.

B. Canadian Pharmaceutical Association

Every spring, the Canadian Pharmaceutical Association sends a survey form to all community pharmacies in the country, asking for financial data from the previous fiscal year. The most recent survey available shows only 1981 figures for operating data, dollar volume and prescription volume and is based on a slim response rate of 6%. Average prescription prices by province were:

Province	Average Prescription Price
Nova Scotia	$11.35
Alberta	10.69
B.C.	10.47
Saskatchewan	10.46
New Brunswick	10.17
Ontario	9.39
Newfoundland	9.36
Manitoba	9.15
Quebec	6.98
Canadian Average	$9.53

The results of this survey do not completely correspond to the more recent Drug Merchandising study. This report confirms that Quebec prescription prices are relatively low, and that Alberta prices are above the Canadian average.

C. Statistics Canada

In compiling the Consumer Price Index each month, Statistics Canada's pricing staff check prices on prescription drugs in six categories: anti-infective agents, psychotherapeutic agents, analgesics, anti-arthritics, hormones and cardio-vascular agents. Due to the confidentiality requirements of the federal Statistics Act, information on specific brands priced and specific prices in individual cities cannot be made available.

However, a comparative index of prescription drug costs has been obtained for eleven major cities. The index is based on a Canadian average of 100, so that figures over 100 show prices above the Canadian average. For September, 1983 these figures are, in descending order:

Saint John, N.B	137.9
Halifax, N.S.	136.0
St. John's Nfld.	124.2
Charlottetown, P.E.I	121.3
Toronto, Ont.	117.6
Ottawa, Ont.	115.9
Vancouver, B.C.	112.4
Edmonton, Alta.	111.8
Winnipeg, Man.	91.7
Montreal, Que	81.5
Regina, Sask.	44.1

Again, these figures portray a somewhat different picture of comparative drug prices. The Statistics Canada survey may be the most reliable of the three, based on actual price comparisons of specific products. For the most part, the figures seem reasonable - the Maritimes on the high end, Manitoba and Quebec on the low end. The figure for Regina, however, is misleading, because it is based on dispensing fees only, and does not include any drug costs. Because all Saskatchewan residents are covered by the provincial drug plan, there are no direct costs to the consumer for drug purchases. If actual drug cost were added in, Regina's index figure would be considerably higher.

If the Statistics Canada data is correct, with the one exception noted, Alberta drug prices are nearer the Canadian average than the other surveys report.

5. Alberta Consumer and Corporate Affairs' Survey

A. Introduction

In light of the nature of the existing surveys and their conflicting results, Alberta Consumer and Corporate Affairs launched a limited comparative price survey during December, 1983. With the assistance of the Alberta Pharmaceutical Association, 16 of the more common medications were selected, based on brand names, strengths and dosages likely to be found in all 10 provinces. Phone contact was made with executives of all provincial

pharmaceutical organizations to secure t[illegible] support, and the information was collected by mail. Replies were rece[illegible]d from all provinces but Prince Edward Island.

To ensure a common base f[illegible] comparison, the prices collected were those negotiated with provincial d[illegible] plan administrators. While these are not the same as an average retail p[illegible]e, they should, in most provinces, provide the maximum price any drug c[illegible]sumer would pay for the specific product. This point deserves emphasis: with the exception of the British Columbia figures (as explained below) th[illegible] prices listed on the following tables are maximums, and include the maximu[illegible] allowable medication cost and the highest dispensing fee possible. Actual [illegible]tail drug prices probably would be lower, for three reasons:

(a) In provinces with formularies (Newfoundland, New Brunswick, Quebec, Ontario, Saskatchewan and Manitoba), unless the doctor writes "No substitution" on the prescription, the pharmacist can substitute a lower-priced equivalent drug. For instance, a Manitoba pharmacist could substitute a generic form of diazepam at $6.02 per hundred (including dispensing fee) rather than Valium ($9.35) or E-pam ($7.18).

(b) In most provinces, dispensing fees actually charged would be below the maximums shown here. For instance, the average dispensing fee in B.C. in November was $5.74, well below the $6.60 maximum used in the following tables.

(c) In provinces where a maximum upcharge is permitted, competitive factors may reduce an individual pharmacist's markup, so that in Alberta, for instance, not all drugs will be subject to the 25% maximum upcharge.

B. Survey Results

Two tables display the results of the cross-Canada survey. Table 1 shows maximum medication costs, while Table 2 combines these costs with maximum dispensing fees to obtain maximum prescription costs for each

provincial drug plan. The following notes, describing the differences in data collection procedures, should be read in conjunction with the tables:

(a) Alberta - Data was provided by the Alberta Pharmaceutical Association. For those products where prices varied according to the quantity purchased, the two Alberta wholesalers provided information on most common purchase sizes.

(b) British Columbia - Data was provided by Pharmacare, the B.C. provincial drug plan. Unlike the information provided by other provinces, the drug costs for B.C. are average claims made, by all provincial pharmacists for the month of November 1983 - they are not maximum medication costs, since there is no maximum prescribed in the B.C. drug pricing system. Thus, the B.C. cost figures (Table 1) are not directly comparable to other provinces, but are included here for the sake of completeness. For Table 2, total prescription costs, B.C.'s theoretical maximum dispensing fee ($6.60) has been used, since the prescribed maximum fee was used for all other provinces.

(c) Saskatchewan - The Saskatchewan Pharmaceutical Association provided the data from the 17th edition of the Saskatchewan Formulary.

(d) Manitoba - The Manitoba Society of Professional Pharmacists Inc. provided the figures from the Manitoba Drug Standards and Therapeutics Formulary. All products are priced assuming that a physician wrote "no substitutes" on the prescription, so that no brand substitution could occur.

(e) Ontario - The Ontario Pharmacists' Association provided the figures from the 19th edition of the Drug Benefit Formulary. Only costs listed in the Formulary for the brand specified were used (no substitutions).

(f) Quebec - Quebec's data was provided by the Association Quebecoise des Pharmaciens Proprietaires. One product, Frosst's 292's, is not

covered by Quebec's drug plan, and so has been replaced by the similarly used Coryphen 650-Codiene 30. This is the one case of product substitution in the survey. In Table 2, calculating total prescription costs, the maximum dispensing fee ($3.62) to be reimbursed by the Quebec Government has been used. However, cash paying customers would pay according to a complex (and higher) sliding fee schedule, described in section 2 of this report. Thus, consumers in Quebec could pay more than the "maximums" listed in these tables.

(g) New Brunswick - The data was provided by the New Brunswick Pharmacists' Association.

(h) Nova Scotia - The data was provided by the former president of the Pharmacy Association of Nova Scotia, and reflects the maximum prices negotiated for the provincial drug plan.

(i) Newfoundland - The figures were supplied by the Newfoundland Pharmaceutical Association.

TABLE 1

MEDICATION COST*

Brand Manufacturer	Strength	Quantity	Alberta	British Columbia	Saskat-chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	New foundland	National Average
Ventolin Inhaler Allen & Hanburys		1	$9.06	$7.62	$7.99	$7.98	$7.65	$7.90	$7.65	$7.65	$7.65	$7.91
Min-Ovral Wyeth		21	5.25	5.17	5.94	5.30	5.35	5.83	5.35	5.35	5.35	5.43
Dyazide S. K. & F.		60	5.10	3.88	7.58	7.20	7.13	7.44	8.19	7.05	7.02	6.80
Inderal Ayerst	40 mg	60	8.38	4.57	9.31	8.05	8.05	9.15	8.39	6.95	8.34	7.91
PVF K Frosst	500,000 IU (300) mg	40	3.76	2.75	5.86	5.47	5.87	5.36	5.87	5.90	5.84	5.19
Tagamet S. K. & F.	300 mg	100	30.16	14.90	28.19	26.79	26.54	27.69	30.48	18.00	28.95	25.74
Peptol+ Horner	300 mg	100	16.88	12.34	9.32	24.89	15.00	28.55	26.20	18.00	24.89	19.56
Elavil M.S.D.	25 mg	100	9.28	8.07	9.65	9.27	9.27	9.48	9.66	9.65	9.26	9.29
Novotriptyn Novopharm	25 mg	100	.81	.71	3.83	2.39	3.43	3.70	4.74	4.05	3.05	2.97
Tylenol No. 3 with Codeine McNeil		30	2.23	1.70	1.23	2.81	2.09	2.91	3.85	3.00	2.82	2.52
Frosst 292 tablets Frosst		30	3.24	1.88	3.34	3.31	3.34	3.81	3.34	3.35	3.33	3.22
Valium Roche	5 mg	60	3.64	3.24	5.73	4.40	4.84	3.18	5.16	3.60	5.22	4.33
E-pam+ ICN-Empire	5 mg	60	.23	.17	2.66	2.23	2.38	1.07	1.73	2.85	2.40	1.75
Lanoxin B & W	0.125 mg	30	1.20	1.05	1.30	1.29	1.29	1.35	1.33	1.30	1.29	1.27
Synthroid Flint	0.1 mg	30	.96	.70	.30	.85	1.04	.83	1.13	1.05	.75	.85
Apo-hydro Apotex	50 mg	30	.16	.13	.13	.90	.90	.51	1.17	.90	.60	.63
	TOTALS		$100.34	$68.88	$102.36	$113.32	$104.17	$119.07	$124.24	$98.65	$117.36	$105.37

* For all provinces but British Columbia, the figures refer to maximum medication costs negotiated by the provincial drug plans. The B.C. figures are average pharmacists' cost claims for November, 1983.

+ Peptol is the generic equivalent of Tagamet. E-pam is the generic equivalent of Valium.

TABLE 2

TOTAL PRESCRIPTION COST*

Brand Manufacturer	Strength	Quantity	Alberta	British Columbia	Saskat-chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	New foundland	National Average
Ventolin Inhaler Allen & Hanburys		1	$14.56	$14.22	$13.29	$12.93	$12.30	$11.52	$13.20	$13.05	$12.70	$13.09
Min-Ovral Wyeth		21	10.06	11.77	11.24	10.62	10.00	9.45	8.57	8.68	10.40	10.09
Dyazide S. K. & F.		60	10.60	10.48	12.88	12.15	11.78	11.06	13.74	12.45	12.67	11.98
Inderal Ayerst	40 mg	60	13.88	11.17	14.61	13.00	12.70	12.77	13.93	12.35	13.39	13.09
PVF K Frosst	500,000 IU (300) mg	40	9.26	9.35	11.16	10.42	10.52	8.98	11.42	11.30	10.89	10.37
Tagamet S. K. & F.	300 mg	100	35.66	21.50	33.49	31.74	31.19	31.31	36.03	23.40	34.00	30.92
Peptol* Horner	300 mg	100	22.38	18.94	14.62	29.84	19.65	32.18	31.75	23.40	29.94	24.74
Elavil M.S.D.	25 mg	100	14.78	14.67	14.95	14.22	13.92	13.10	15.21	15.05	14.31	14.47
Novotriptyn Novopharm	25 mg	100	6.31	7.31	9.13	7.34	8.08	7.32	10.29	9.45	8.10	8.15
Tylenol No. 3 with Codeine McNeil		30	7.73	8.30	6.53	7.76	6.74	6.53	9.40	8.40	7.87	7.70
Frosst 292 tablets Frosst		30	8.73	8.48	8.64	8.26	7.99	7.43	8.89	8.75	8.38	8.39
Valium Roche	5 mg	60	9.14	9.84	11.03	9.35	9.49	6.80	10.71	9.00	10.27	9.51
E-pam ICN-Empire	5 mg	60	5.75	6.77	7.96	7.18	7.03	4.69	7.28	8.25	7.45	6.93
Lanoxin B & W	0.125 mg	30	6.70	7.65	6.60	6.24	5.94	4.97	6.88	6.70	6.34	6.58
Synthroid Flint	0.1 mg	30	6.46	7.30	5.60	5.80	5.69	4.45	6.68	6.45	5.80	6.03
Apo-hydro Apotex	50 mg	30	5.66	6.73	5.43	5.85	5.55	4.43	6.72	6.30	5.65	5.81
	TOTALS		$187.66	$174.48	$187.16	$192.70	$178.57	$176.99	$210.70	$182.98	$198.16	$187.71

* Medication cost plus maximum dispensing fee.

* Peptol is the generic equivalent of Tagamet. E-pam is the generic equivalent of Valium.

C. Analysis of Results

Pricing the 16 medications across the country revealed considerable variation in pricing and little in the way of a consistent pattern. Each table provides a separate impression of the drug price structure in Canada.

Table 1 shows that British Columbia has the lowest total medication costs for the 16 drugs surveyed, as well as the lowest individual price in 12 of the 16 cases. However, since the B.C. figures are average cost claims, not maximum negotiated prices, they should be expected to be well below other provinces' figures. Nova Scotia, Alberta, Saskatchewan and Ontario also recorded prices slightly below the Canadian average, while prices in New Brunswick were the highest in seven of the 16 categories. Note, however, the strong influence of the cimetidine brands, Tagamet and Peptol, on the totals for each province. These are both the most expensive brands and the most variable in price among the 16, typically accounting for over 40% of the total drug price recorded for each jurisdiction. Their inclusion, for instance, results in the approximate $20 difference between the totals for Quebec and Nova Scotia.

A more extensive survey would obviously include more brands and might attempt to weight the results by the usage levels for each brand in each province. However, based on the sample chosen for this survey, it seems unlikely that Alberta has the highest drug prices - for 11 of the 16 products surveyed here, the Alberta medication cost was lower than the Canadian average.

Table 2, total prescription costs, provides a slightly different view of comparative drug prices. Adding in the maximum dispensing fees for each prescription tends to level out the price differences among provinces. British Columbia, low in medication costs, has the highest professional fee; while Quebec, with relatively high drug material costs, has the lowest dispensing fee. Results in Table 2 show Quebec, British Columbia, Ontario and Nova Scotia with total prices slightly below the national average (and Quebec with the lowest individual price on nine of the 16 products); New Brunswick, Newfoundland and Manitoba with total prices slightly above the national average (and New Brunswick with the highest price for eight brands) and Saskatchewan and Alberta right at the national average. Indeed, Alberta's

total price for the 16 prescriptions, $187.66, is only five cents below the Canadian average, and in Alberta exactly half the 16 brands are above the national average price, and half below.

Taken at face value, the survey results would seem to confirm some of the findings from other comparative studies that place B.C. and Quebec at the lower end of the scale of drug costs, and several Maritime provinces at the higher end. This research does not confirm the impression that Alberta drug prices are exceptionally high. These limited results show Alberta prices tending near the Canadian average, rarely the highest or lowest for any specific product.

To draw firm conclusions on the national drug pricing situation based on a minimal survey of 16 products would be unwise. While the recent Alberta survey may be the only current research comparing specific brands, strengths and dosages, it is by no means definitive. This survey provides prices on only a small percentage of the drug brands available (although it does include many of the more popularly-prescribed medications). It provides information on maximum negotiated prices, not average retail prices, for a specific point in time. A great many more resources would be needed to undertake a truly representative survey of prices paid by consumers, weighted by brand preferences in each province.

GLOSSARY OF TERMS

DISPENSING FEE — The professional fee charged by pharmacists for each prescription dispensed.

FORMULARY — A publication that lists individual pharmaceutical products, and their per unit costs, that meet required provincial quality considerations and are eligible for reimbursement under a province's drug plan.

MEDICATION COST — The maximium cost for a drug product, as negotiated by provincial drug plan administrators.

MICROFICHE PRICE — The price a wholesaler in Alberta pays to a manufacturer for a particular medication.

PRESCRIPTION COST — Medication cost plus the dispensing fee permitted in a province.

UPCHARGE — The markup is the difference between the drug manufacturer's selling price and the pharmacists' medication charge to the consumer.

POOR

QUALITY

ORIGINAL